

In re:  MELINDA A. MAXWELL, Debtor, <hr/> United States Trustee, Plaintiff,  v. Melinda A. Maxwell, Defendant.	NO: 09-17198-KAO(Ch 7)  <b>Adv. No. 09-01486</b>  DECLARATION OF ATTORNEY SARAH L. ATWOOD
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Sarah L. Atwood declares and states as follows:

1. I have read the statement of uncontroverted facts filed in this case on 5/28/2010, and I certify that they are true and correct. Pursuant to the parties' settlement I have prepared and provided declarations. Attached is a true and correct copy of that Declaration.

2. My client and I did not pursue disgorgement of the "\$1,000" attorney fee allegedly paid to bankruptcy attorney Mr. McGrath for his work in this Chapter 7 case as we could not locate any proof that the payment occurred.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING  
STATEMENT IS BOTH TRUE AND CORRECT.

Dated this 16th day of June, 2010 at Seattle, Washington.

Law Offices of Sarah L. Atwood, PLLC  
/s/ Sarah L. Atwood  
WSBA# 31199  
Counsel for Creditor Ellison

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re:

MELINDA A. MAXWELL,

Debtor.

United States Trustee,

Plaintiff,

v.

Melinda A. Maxwell,

Defendant.

No. 09-17198

Adv. No. 09-01486

DECLARATION OF SARAH L.  
ATWOOD

Sarah L. Atwood declares under penalty of perjury that the following is true and correct to the best of my knowledge and belief.

1. I am an attorney licensed to practice in this court and have been so for nine years. My client in the base bankruptcy proceedings is creditor Dr. Katherine Ellison. I have actual knowledge of the matters hereinafter set forth.

2. In representation of Dr. Ellison I attended the § 341 hearing, the continued § 341 hearing and also conducted a BR 2004 examination of the debtor Mrs. Maxwell.

3. One of the issues in this case is the water damage to the condo and the insurance

1 claim. At the § 341 hearing there were questions concerning the water damage, the insurance  
2 coverage and the value of the condominium. At the time of the § 341 hearings the only things  
3 unknown were the extent of the damage, the amount of the claim, what was covered, and where  
4 had the money gone.

5 4. Mrs. Maxwell testified about the insurance claim at both hearings. This Court has  
6 heard and the bankruptcy trustee has claimed that her testimony was not helpful. I agree that her  
7 testimony was not helpful. However, I can not say that it was wholly inaccurate and she deferred  
8 answering questions to her husband claiming that she had no knowledge of the status of the  
9 claim.

10 5. Mrs. Maxwell testified that the claim was not fully settled, which was true. Since  
11 the bankruptcy trustee did not repair the condo, further repairs were not done and therefore  
12 further claims were not made. In the settlement approved by the Court and the Bankruptcy  
13 Trustee, Mrs. Maxwell did retain the right to recover a claim for the cumulative costs of storing  
14 her personal property. In a subsequent adversary proceeding the Bankruptcy Trustee brought an  
15 action to recover the insurance funds paid to a unsecured creditor Servepro.

16 6. After attorney Mr. Marc Stern became involved and at the continued § 341  
17 hearing, he and Mrs. Maxwell said that there would be amendments to her schedules. They did  
18 in fact file amendments to her schedules (the third set) and those schedules as amended are  
19 accurate. In the settlement approved by the Court the agreement provided that the amended  
20 schedules cleared up anomalies in the first and second set of schedules Mrs. Maxwell's husband  
21 prepared and filed.

22 7. My client Dr. Ellison was the most vigorous creditor in pursuing the debtor. I can  
23 certainly say that Mrs. Maxwell was not forthcoming, negligent, relied entirely and  
24 inappropriately on her husband, bankruptcy attorney Thomas F. McGrath Jr., and they did not  
25 make things easy. On the other hand, I do not believe that in her testimony she lied intentionally.

1           8.     After attorney Mr. Marc Stern became involved and Mr. McGrath was not  
2 involved, Mrs. Maxwell and Mr. Stern understood that they could not defer to Mr. McGrath, and  
3 they acted completely cooperatively in resolving multiple layers of litigation for the benefit of all  
4 creditors, the bankruptcy trustee, his attorney, and my client. The settlement would not have  
5 been possible but for Mrs. Maxwell's forthcomingness and wholesale agreement to forgo  
6 contesting difficult issues such as her homestead claim in the condo.

7           9.     Again, as a part of the global settlement, all parties agreed and signed the  
8 settlement agreement that stated:

9           "The amended schedules submitted by the Ms. Maxwell and CWC in 2009  
10 corrected the original schedules, both Debtors permitted broad inquiry through  
11 2004 examinations and Ms. Maxwell and CWC should be allowed without  
12 sanctions to relate these schedules and disclosures back to the original schedules to  
13 correct the omissions on the original schedules." Ms. Ellison's counsel Ms.  
Atwood also agrees to immediately recommend to the UST that it drop and dismiss  
its 11 USC § 727 complaint.

14 (Settlement Agreement, p. 8)

15 Executed under penalty of perjury this 14<sup>th</sup> day of June, 2010, at Seattle, Washington.

16 Law Offices of Sarah L. Atwood PLLC

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19 Sarah L. Atwood, WSBA# 31199